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RUEHBD/AMEMBASSY BANDAR SERI BEGAWAN PRIORITY 0006  
RUEHLP/AMEMBASSY LA PAZ PRIORITY 0014  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0291  
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 0007  
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C O N F I D E N T I A L SECTION 01 OF 02 DOHA 000027

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TAGS: [ENRG](#) [EPET](#) [EINV](#) [ETTC](#) [PREL](#) [QA](#) [IR](#) [RU](#)  
SUBJECT: DOHA TO BE HEADQUARTERS FOR GAS EXPORTERS'  
SECRETARIAT

REF: A. 2008 DOHA 660  
[1](#)B. STATE 115979  
[1](#)C. 2008 DOHA 811

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Classified By: Amb. Joseph LeBaron for Reasons 1.4 (b) and (d).

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(C) KEY POINTS  
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-- The motivation behind the Gas Exporting Countries Forum's (GECF) December decision to form a permanent organization with a secretariat based in Doha varies from member to member, according to Qatar Petroleum's senior technical official Sa'ad Sherida Al-Ka'abi.

-- Some group members want the organization to coordinate pricing and volume issues -- i.e., move in the direction of a cartel -- but Qatar rejects this approach, Al-Ka'abi said.

-- Meanwhile, Qatar Petroleum has been authorized by the Qatari leadership to continue discussions with Iran and Russia over possible gas joint ventures, even though such projects don't necessarily make technical or business sense, according to Al-Ka'abi, who usually leads Qatar's delegation to the trilateral talks.

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(C) COMMENT  
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-- Qatar's political leadership clearly wants to be a part of any discussions among gas producers in order to protect Qatar's interests. This probably explains why the GOQ lobbied to host the GECF secretariat.

-- But the GOQ may have miscalculated in this, as inevitable talk of cartels from Venezuela, Iran, and their ilk will surely embarrass Qatar.

-- Al-Ka'abi's inability to fully explain his own government's motivation for hosting the secretariat, as well as Qatar's apparent pursuit of joint projects with Russia and Iran, underscores the concentrated nature of decision-making in the GOQ and the political sensitivity and thrust of all Iran-related matters.

-- Qatar aims to balance the need to serve as a reliable supplier with the imperative to maintain good ties with Iran,

with which it shares the world's largest natural gas field.

End Key Points and Comment.

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Qatar as Headquarters for Gas Group  
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¶1. (C) Qatar Petroleum Director of Oil and Gas Ventures Sa'ad Sherida Al-Ka'abi told DCM Ratney and Econoff Fabrycky January 12 that one of the main reasons for recent Russia-Iran-Qatar "troika" discussions was to help facilitate the more formal organization of a broader gas forum. (Note: On December 23 in Moscow, fifteen Gas Exporting Countries Forum (GECF) members agreed to establish a formal organization to be headquartered in Qatar). Al-Ka'abi, who usually leads the Qatari delegation to the trilateral discussions when they are not done at the political/ministerial level, claimed that media and other observers are blowing the troika and gas organization concepts out of proportion. He was unable to articulate any unified raison d'etre for the organization, but noted that for now it is a group of major gas producers who want to study gas export issues in a coordinated manner.

¶2. (C) Al-Ka'abi emphasized that Qatar "can't and won't discuss pricing or volume issues," and the structure of its sales and purchase agreements does not allow for cartel-like behavior. He revealed that Russia and a few other producers wanted to include pricing and volume in the group's agenda, but noted that Qatar is very strict about its confidentiality agreements with buyers, and such discussions were a non-starter. He added that pricing is one of the most critical elements of the market and not an issue open to

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negotiation or consultation with other producers.

¶3. (C) Qatar sees other producers as competitors and this acts as a brake on cooperation. Al-Ka'abi said that disagreements over a gas group's goals have continued for a long time. As an example, he cited February 2007 comments by the Amir of Qatar during a press conference with visiting Russian President Putin in which the Amir rejected the idea of a gas cartel as "impossible."

¶4. (C) Al-Ka'abi had "no idea" when the GECF secretariat would be formally established in Doha. He speculated that discussions among members would continue and at some point the group would rent commercial space and put a small staff in Doha. He conceded that having Qatar host the secretariat could cause public relations problems for the GOQ, comparing it to troubles they have within OPEC. As an example, he cited recent comments by the Iranian representative to OPEC who said the group would cut production in March, even though, as a representative of a single member, the Iranian had "no right to say such a thing."

¶5. (C) Al-Ka'abi said Venezuela wants the forum to look at regulatory harmonization but "Qatar said to go to hell," adding that Qatar "would never agree to cede that sort of authority" over the industry. (Al-Ka'abi did note, as reported in part in Ref A, that Qatar will be part of a joint feasibility study with Chevron on an LNG project in Venezuela.)

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Joint Venture with Iran, Russia a Political Issue  
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¶6. (C) Turning to the possibility of a Qatar-Russia-Iran joint venture to develop Iranian gas, Al-Ka'abi asserted that the project idea is "not a technical issue," and he and QP are just following political instructions on exploring cooperation. He said there is an ongoing discussion about where to bring the gas under any joint scenario, and Qatar is

just exploring the idea right now. (Note: On November 18, Reuters quoted Iranian Oil Minister Nozari as saying that "there is agreement on setting up of a joint company which would be able to develop work in the three countries or any other world spot. But to have Iran's gas go to Qatar and be changed to LNG there, we do not accept that by any means.") In this regard, Al-Ka'abi noted he was familiar with the Ambassador's November meeting with the Energy Minister in which the Ambassador warned against the possible consequences of energy cooperation with Iran (Ref C), and the potential consequences for Qatar of any cooperation.

17. (C) Al-Ka'abi reiterated that such a joint project would not be attractive for Qatar from a technical or business standpoint, and suggested that the push for such cooperation is coming from the political level which may not fully grasp these factors. Al-Ka'abi claimed that Iranian energy officials at the technical level are quite realistic and are aware of the technological and other hurdles facing development of their country's domestic gas production. Unfortunately, he continued, most decisions are made by the political leaders in Tehran.

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Qatar Not Looking to Seize on European  
Gas Crisis to Expand Markets  
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18. (C) Al-Ka'abi said Qatar is "indifferent" on the current Russia-Ukraine gas dispute, where Qatar has little direct economic interest. He conceded that European aggravation with Russia as a gas supplier could benefit Qatar (in terms of increased demand or higher prices for Qatari gas). He noted, however, that Qatar pursues gas relationships with a long-term strategy, underscoring that markets must have economic viability beyond short-term disputes. Al-Ka'abi criticized Russia's actions in the crisis, noting that cutting off supply is not the proper way to deal with any issues Russia is facing, including dissatisfaction with low selling prices.

19. (U) Tripoli minimize considered.  
LeBaron